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<p>MAYOR JERRY SANDERS FACT SHEET</p>

**SANDERS ISSUES STATEMENT REGARDING CITY'S
LOWER-THAN-PROJECTED PENSION PAYMENT**

Later today, the San Diego City Employees' Retirement System (SDCERS) is expected to announce that the City of San Diego's actuarially required contribution (ARC) to its pension system will be \$231.3 million -- \$25.3 million less than what had had been projected. The reduced payment means the city can apply the difference toward reducing its \$31.8 million deficit for fiscal year 2013.

In response, Mayor Sanders has issued the following statement:

"This is yet another positive step as we look to balance the City's budget next year and accomplish my goal of ending the city's longstanding structural budget deficit.

"Unlike previous administrations, we have made the full pension payment every year -- and this year will be no different. Because the payment will be less than expected, the city's budget gap will decrease significantly.

My administration will work diligently over the next few months to develop a budget that is balanced, that eliminates the structural budget deficit, and best preserving services to the public.

The reduction to the projected ARC is the result of numerous factors, including but not limited to, better than expected investment returns and the fact that the City has held the line on salary increases. This reduction to the ARC is expected to translate into lower pension payments for the foreseeable future which will have a positive impact on future City budgets as well.

Given that approximately 77 percent of the city's ARC payment is paid for by the General Fund, this decrease to the City's ARC translates into a \$19.6 million reduction to the City's projected fiscal year 2013 deficit, leaving the current budget gap for the coming fiscal year at \$12.2 million.

Sanders will release his proposed budget in mid-April.

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